

Exhibit A

2008 Enforcement Provisions Concerning Residential Short-Term Vacation Rentals

Article 8-4: Enforcement of Restrictions on Residential Short-Term Vacation Rentals

§ 8-4-1 Title

This Article shall be known as the City of Sedona Short-Term Vacation Rental Enforcement Ordinance.

§ 8-4-2 Findings and Purpose

The City of Sedona is committed to maintaining its small-town character, scenic beauty and natural resources that are the foundation of its economic strength and quality of life. (*Sedona Community Plan, Section 9.2, Recommendations Goal 1.0*) The rental of private homes for temporary occupancy has been identified as a community concern due to the potential for increased traffic, noise, high occupant turnover, and density in single-family residential neighborhoods. The number of occupants occupying such temporary rentals has the potential to exceed standards for the design capacity of such structures and to cause health and safety problems, and as such may constitute threats to the health and safety of neighbors and nearby properties. The purpose of this Short-Term Vacation Rental Enforcement Ordinance is to safeguard the peace, safety and general welfare of the residents of Sedona and their visitors and guests by eliminating noise, vandalism, overcrowding, neighborhood uncertainty, high occupant turnover, diminution of neighborhood character, and other secondary effects that have become associated with the illegal short-term rental of single-family dwellings. These regulations are necessary to protect the integrity and small-town character of the City's residential neighborhoods.

Since its adoption in 1995, the Sedona Land Development Code has prohibited the rental of any single-family dwelling in residential areas for less than thirty days. Since that time, the short-term vacation rental market nationwide has expanded with the use of professional brokers and Internet listing services. This proliferation requires an expansion of enforcement mechanisms to deter parties who facilitate and solicit this illegal activity. Because there are numerous homeowners, real estate offices, brokers, and other agencies that actively promote short-term rentals to potential Sedona visitors through the Internet and other forms of advertisement, it is necessary to prohibit the promotion and advertisement of short-term vacation rentals for periods of less than 30 consecutive days.

Therefore, in an attempt to further promote the aims and goals of the current ban on short-term residential rentals, the City does hereby adopt the following provisions in an attempt to enhance the ability to enforce current prohibitions against short-term rentals in residential neighborhoods.

8-4-3 Definitions.

For purposes of this article, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

Advertise or Advertisement: means any written or oral publication, dissemination, solicitation or circulation which is intended to directly or indirectly induce any person to enter into an agreement for the rental of a single family dwelling in violation of this

Article or the applicable provisions of the Sedona Land Development Code. This definition includes but is not limited to mailings, print advertisements, internet listings, e-mail publications or other oral, printed or electronic means.

Enterprise: Any corporation, association, firm, partnership, LLC, or other legal entity.

Facilitate: A person or enterprise facilitates if, acting with knowledge that an operator, managing agency or rental agent is committing or intends to commit the offense of renting a single-family dwelling in violation of this Article, the person or enterprise knowingly provides the operator, managing agency or rental agent with means or opportunity for the commission of said offence.

Managing agency or rental agent: A person, enterprise or agency representing the owner of the short-term vacation rental, or a person, enterprise or agency owning more than one short-term vacation rental.

Operator: The person or enterprise who is owner or proprietor of a short-term-vacation rental, whether in the capacity of owner, lessee, sub-lessee, mortgagee in possession, licensee, or any other capacity. Where the operator performs his functions through a managing agency of any type or character, or where the operator performs his functions through a rental agent, the managing agency or the rental agent has the same duties as its principal.

Person: An individual, a group of individuals.

Rent: The consideration or remuneration charged whether or not received, for the occupancy of space in a short-term vacation rental, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits, property or services of any kind. Rent may include consideration or remuneration received pursuant to an option to purchase whereby a person is given a right to possess the property for a term of less than 30 consecutive days.

Rental: An arrangement between a transient and an operator whereby rent is received in exchange for the right to possess a residential structure.

Remuneration: Compensation, money, or other consideration given in return for occupancy, possession or use of real property.

Short-term vacation unit: Any structure or any portion of any structure that is rented to a transient for less than 30 consecutive days in a residential zoning district or a planned residential development district as contemplated in the Sedona Land Development Code, including detached single-family dwellings, condominiums, duplexes, townhomes and multiple-family dwellings.

Solicit: A person or enterprise solicits if, with the intent to promote or facilitate the short-term rental of a short-term vacation unit in violation of this article, such person or enterprise commands, encourages, requests or solicits another person to engage in conduct which would constitute a violation of this article.

Transient: Any person who at his own expense or at the expense of another, exercises occupancy or possession or is entitled to occupancy or possession by reason of any rental

agreement, consession, permit, right of access, option to purchase, license, time-sharing arrangement, or any other type of agreement for a period of less than 30 consecutive calendar days, counting portions of calendar days as full days.

8-4-4 Prohibited rental duration.

Rental of a short-term vacation unit or units by a person, operator, managing agency or rental agent for less than 30 consecutive days in duration to any transient within any residential zoning district or planned residential development district in violation of the Sedona Land Development Code is prohibited.

8-4-5 Advertisement of Illegal Short-term Rentals Prohibited

It is class 1 misdemeanor for any person, enterprise, managing agency or rental agent to advertise, solicit or facilitate the rental for less than 30 consecutive days of a short-term vacation unit located within residential districts where such short-term rentals are prohibited by the Sedona Land Development Code. Such activity is prohibited, whether by mailings, print advertisements, internet listings, or other means.

8-4-6 Violations and penalties.

Violations of this Article shall constitute a class 1 misdemeanor, and upon conviction, shall be punished by a fine not to exceed \$2,500 plus applicable surcharges or by imprisonment for a period not to exceed 6 months, or by both such fine and imprisonment. Each day that any violation continues shall be a separate offense punishable as described herein. In the alternative, an action may be commenced as a civil violation.